Street Maintenance Utility Fee

November 30 & December 2, 2017
Public Open House

Prepared by:
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City of Molalla
Open House Purpose

• Provide an overview of the process that the City performed to determine the condition of its streets.
• Provide pavement condition information to members of the community.
• Allow City Council and City staff to interact with members of the community and receive input on the possibility of establishing a utility fee for pavement maintenance of City owned and operated streets.
Project Funding, Scope & Report

• A pavement condition survey project was budgeted as part of FY 2015-2016
• Project began in February 2016.
• Database of City owned and operated streets (33 total miles) was created.
• Consultant performed a survey of all streets and rated the condition of the pavement (Pavement Condition Index or PCI) on a scale from 0 to 100 (100 = new street).
Project Funding, Scope & Report

• Consultant prepared budget option scenarios from the pavement management database.

• Consultant prepared a report in April 2016 titled Pavement Management Budget Options Report.

• City received an overall PCI of 61 in 2016.

• Report provided existing PCI and 4 budget scenarios:
  • Unconstrained (unrestricted funding) with PCI of 84
  • Increase PCI to 70 in 5 years
  • Increase PCI to 75 in 5 years
  • Increase PCI to 75 in 10 years
Report Summary

- Ideal roadway PCI is 82-84.
- PCI of 70 is tipping point where it costs more to maintain the roadway at a higher PCI as the pavement condition drops below 70.

![Figure 1 – Road Condition over time](image)

- 40% drop in quality in first 75% of service: Cost - $2/sq. yd. to treat
- Additional 40% drop in quality in next 12% of service life: Cost $13.25/sq. yd.
- Further delays result in failed road requiring reconstruction $95 - $130/sq. yd.
Report Summary

• Scenario 1 = $1,640,000/yr., no deferred maintenance
• Scenario 2 = $850,000/yr., $10,600,00 deferred maintenance
• Scenario 3 = $1,600,000/yr., $6,700,000 deferred maintenance
• Scenario 4 = $1,100,000/yr., $7,100,000 deferred maintenance

Table 1 – Summary of outcome of different funding levels (Scenarios)

<table>
<thead>
<tr>
<th>Scenario Name</th>
<th>Budget</th>
<th>Final PCI (change)</th>
<th>Deferred maintenance</th>
<th>2025 % good</th>
<th>2025 % Very Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – Unconstrained</td>
<td>$16.4 million over 10 years</td>
<td>84 (+23)</td>
<td>$0</td>
<td>96.4%</td>
<td>3.6%</td>
</tr>
<tr>
<td>2 – Increase PCI to 70 in 5 years</td>
<td>$4.25 million over 5 years</td>
<td>70 (+9)</td>
<td>$10.6 million</td>
<td>73.0%</td>
<td>18.0%</td>
</tr>
<tr>
<td>3 – Increase PCI to 75 in 5 years</td>
<td>$8.0 million over 5 years</td>
<td>75 (+14)</td>
<td>$6.7 million</td>
<td>79.9%</td>
<td>11.0%</td>
</tr>
<tr>
<td>4 – Increase PCI to 75 in 10 years</td>
<td>$11.0 million over 10 years</td>
<td>75 (+14)</td>
<td>$7.1 million</td>
<td>85.9%</td>
<td>10.0%</td>
</tr>
<tr>
<td>2016 Values</td>
<td>$6.35 million</td>
<td>61</td>
<td>$6.35 million</td>
<td>40.6%</td>
<td>10.8%</td>
</tr>
</tbody>
</table>
Street Maintenance Utility Fee

• Staff prepared a review of the monthly cost per property account if a flat monthly fee were created. (3,545 user accounts)

  • Scenario 1 = $38.55/account/month
  • Scenario 2 = $19.98/account/month
  • Scenario 3 = $37.61/account/month
  • Scenario 4 = $25.86/account/month
Street Maintenance Utility Fee

• Staff then prepared a review of the first year maintenance based on differing levels of investment towards a target PCI of 70.

• Staff created the following maps
Existing PCI
Scenario 2 – 5 Yr. Rotation
Scenario 2 – Repair Types
$5/month Fee ($212,700)
$7/month Fee ($297,780)
$9/month Fee ($382,860)
$11/month Fee ($467,940)
$19.98/month Fee ($850,000)
Questions?